

IRS News Release

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IRS Approves Second Round of Issuance by Indian Tribal Governments of Economic Development Bonds

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WASHINGTON — The U.S. Department of the Treasury and the Internal Revenue Service today announced the allocation of a second round of authority to Indian tribal governments to issue Tribal Economic Development Bonds under the American Recovery and Reinvestment Act of 2009 (ARRA).

The IRS awarded 76 tribal governments a combined \$1.005 billion of bond issuance authority, also known as volume cap. The bonds can be used to finance virtually all types of public works projects. The ARRA provided for a total of \$2 billion issuance of economic development bonds by Indian tribal governments.

The IRS received 86 applications requesting a total of over \$3 billion of volume cap under the second round. Allocations were prorated to maintain the legal limit.

For those applicants who elected to consent to public disclosure, the IRS is releasing an [allocation schedule](#) showing the names of the Indian tribal governments, the types and locations of the projects described in the applications and the amounts of the awarded allocations.

In September 2009, the IRS allocated the first portion of Tribal Economic Development Bonds issuance authority to 58 tribal governments. See [IR-2009-81](#) for more details.

In June 2009, the IRS issued [Notice 2009-51](#), which clarifies how the \$2 billion of Tribal Economic Development Bonds are to be allocated under section 7871(f) of the Internal Revenue Code. Section seven of the notice provides that the volume cap is to be allocated in at least two rounds, or tranches, with no Indian tribal government receiving more than \$30 million of volume cap per round of allocations.

Tribal Economic Development Bonds and certain other types of municipal bonds are subject to legal limitations on how much can be issued, commonly known as volume caps.